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President stresses fight for economic independence

The main challenge facing Africa, and Mozambique in particular, is to attain economic and financial independence, declared President Filipe Nyusi on 27 August. Speaking in Nairobi, during the 25th summit of heads of state and government of the member countries of the African Peer Review Mechanism (APRM), held under the motto “Revive the APRM to strengthen governance in Africa”, President Nyusi stressed the importance “of prioritizing the construction of the economic and financial independence of our continent”.

As he presented a progress report, he said “we must strengthen the relations of cooperation and friendship between the member countries of our organization, and we must invest all the knowledge we possess so that together we can overcome the enormous challenges of development, for the present and the future”.

Questioned about this at a press conference later in the day, marking the end of his visit to Nairobi, where he also attended the Sixth Tokyo International Conference on African Development (TICAD VI), President Nyusi said that financial independence is a cause he has insistently tried to cultivate among Mozambicans.

To attain this desired end, he added, the country needs to produce more – increasing Mozambican food production would be a great step forward, he believed.

“If we produce food, we shall sell it, and if we sell it, we shall have a lot of money”, President Nyusi said. “We shall have more possibilities and more financial resources for Mozambique”.

Greater production would mean more food for Mozambique, and the country would no longer need to import food. The money currently used to import food would stay in the country, and could be used for other purposes. Surplus crops, the President said, would earn money through exports.

Economic independence could also be achieved through processing and adding value to raw materials inside the country. “Our resources should be transformed in Mozambique”, he declared.

President Nyusi believed it possible to improve productivity and create conditions so that the final product would be competitive on world markets.

In this way, Mozambique would gradually become self-sufficient and free itself from economic dependence. The financial resources granted to Mozambique could be used for better roads, for building dams and other infrastructures which in turn would generate more revenue.

President Nyusi concluded that these principles form part of his project for governance, and must be implemented as quickly as possible.

Mozambique and Japan to expand cooperation

Mozambique and Japan on 26 August expressed their willingness to step up cooperation between the two countries, particularly in the economic sphere. This desire was expressed in a meeting in Nairobi between President Filipe Nyusi and Japanese Prime Minister Shinzo Abe. Both men were in Nairobi to attend (TICAD VI).

During their meeting, President Nyusi took the opportunity to congratulate the Japanese Prime Minister on his re-election, hoping that this could accelerate the progress of Japanese projects in Mozambique.

In a brief statement, Abe, who was accompanied by Japanese businessmen with investments in Mozambique, stressed his desire for still closer relations with Mozambique.

Speaking to reporters shortly after the meeting, Mozambican Foreign Minister Oldemiro Baloi said that Nyusi and Abe had reviewed the cooperation between the two countries. This cooperation has a social component, and so a sum of US\$2.7 million from Japan was announced to support food security in Mozambique.

“These are important signs at a time when the country needs help more than ever” added Baloi. Tens of thousands of Mozambicans are in need of food aid, due to the severe drought which struck southern Africa this year.

The question of Mozambique’s foreign debt was also addressed at the meeting, Baloi said, “including its implications, and the path forward that the country is following. Thus Japan was informed at first hand”.

The foreign debt increased drastically, because of government guaranteed loans of over two billion dollars contracted in 2013-14, under the government of President Nyusi’s predecessor, Armando Guebuza.

Two of these loans, to the quasi-public companies Proindicus and Mozambique Asset Management (MAM), were not disclosed, either to the Mozambican public or to key foreign partners, including the International Monetary Fund (IMF). As a result, when the loans became public knowledge in April, the IMF, the World Bank, and other partners cut off financial assistance to Mozambique and demanded an independent international audit of the loans.

Not true that Renamo “won six provinces” says President Nyusi

President Filipe Nyusi on 26 August attacked the pretension of Afonso Dhlakama, leader of the opposition party Renamo, to govern by force the six northern and central provinces where he claims that Renamo won the October 2014 general elections.

Speaking in Nairobi, at a meeting with the Mozambican community resident in Kenya, President Nyusi denied the oft-repeated claim that Renamo won six provinces, and so should be allowed to govern them.

From Dhlakama’s statements, no-one would guess that there was a million vote gap between himself and President Nyusi in 2014. And when the results are looked at province by province, it is true that Dhlakama topped the Presidential poll in five provinces (Manica, Sofala, Tete, Zambezia and Nampula). But in the parliamentary election, Renamo only gained a majority in two provinces, Sofala and Zambezia. In the third election, for provincial assemblies, Renamo gained a majority in three of the 10 assemblies – Sofala, Zambezia, and Tete.

President Nyusi told the meeting that Renamo gunmen continue to invade hospitals and to attack and kill innocent civilians, acts which have forced the government to introduce a system of convoys under armed escort to ensure that traffic can continue to flow along some of the main roads in the centre of the country.

“All this because Renamo leader Afonso Dhlakama wants to govern the six provinces where he says he won the elections”, said the President.

A representative of the Mozambican community, Rafael Mazula, said the worsening of politico-military tensions is undermining the economic and social development that Mozambique has experienced in recent years.

“We reject and condemn the resort to military force to solve our problems”, said Mazula. “War causes mourning and the destruction of economic and social infrastructures, such as roads and bridges, the commercial network, schools, and hospitals”.

The message praised the efforts under way to restore peace, declaring that President Nyusi himself “is an example of political tolerance and a unique case in Africa and in the world which allows brothers, even those who have committed so much brutality, to live together”.

The community also presented President Nyusi with their day-to-day problems – particularly their lack of Mozambican identity documents.

“Most of the Mozambicans here do not have documents such as an identity card or a passport”, said Mazula. “Without these documents, our life becomes difficult. It creates difficulties for our legalization in this country, and access to services such as education and employment”.

Mazula said the Mozambican community consists mostly of people who came to Kenya before Mozambican independence to work on the sugar and sisal plantations, and their dependents. Thus there are Mozambicans who have been living in Kenya for over 40 years, and are still undocumented, a situation which also affects their children.

In response, President Nyusi promised that the government will send a team from the Ministry of the Interior to Kenya to issue identity cards and passports.

No advance on cessation of hostilities

Despite optimism shown by international mediators, the round of talks on 24 August in the Joint Commission set up between the Mozambican government and the opposition party Renamo produced no advance towards a cessation of hostilities.

The meeting lasted seven hours, and during that period Renamo simply refused to halt its attacks unless the government withdrew its forces stationed at the Gorongosa mountain range in Sofala province.

The mediators’ spokesperson Mario Raffaelli told reporters that the government position is “the mission of the defence and security forces is to protect the population and its property, and to allow people to circulate in a climate of peace, harmony, and security”.

The government wanted to see an immediate suspension of hostilities which would make it possible to open a corridor in Gorongosa so that the mediators can make their way to the Renamo bush headquarters in the Satunjira area, to meet Renamo leader Afonso Dhlakama.

The Renamo position, said Raffaelli, is that it “will accept a temporary truce around the Gorongosa mountain range, as long as the government withdraws its forces stationed there”.

But the government has no intention of surrendering territory to the Renamo militia. Raffaelli said the government believes its forces must remain in Gorongosa to protect the local population from Renamo attacks.

The mediators do not expect any improvement in the situation in the immediate future. They, and the government and Renamo delegations, have agreed to suspend the talks for almost three weeks so that the Joint Commission will not meet again until 12 September.

Human Rights Watch denounces Renamo attacks on health units

The international NGO, Human Rights Watch (HRW), on 24 August denounced attacks on health units by armed elements from the opposition party Renamo.

A HRW statement noted that, over the past month, Renamo has raided at least two hospitals and two clinics, and warns “the attacks on the medical facilities, which involved looting medicine and supplies and destroying medical equipment, threaten access to health care for tens of thousands of people in remote areas of the country”.

“RENAMO’s attacks on hospitals and health clinics are threatening the health of thousands of people in Mozambique,” said Daniel Bekele, Africa director at HRW. “RENAMO’s leadership needs to call off these attacks on health facilities immediately.”

“RENAMO’s raids on medical facilities seem part of a repugnant strategy to damage health facilities and loot medicines,” Bekele said. “What they are succeeding in doing is to deny crucial health services to Mozambicans who need them.”

This is a condensed version of the AIM daily news service – for details contact pfauvet@live.com

Government planning to ban all log exports

The Mozambican government is proposing a total ban on all exports of unprocessed logs, regardless of the tree species from which they come.

The national director of forests in the Ministry of Land, Environment and Rural Development, Xavier Sakambuera, told the daily newspaper "Noticias" that a bill on this matter has already been drafted and deposited with the country's parliament.

There have been many attempts in the past to outlaw the export of logs from particular species of hardwoods, but this would be the first blanket ban on the export of all logs. As such it is bound to meet with ferocious opposition from logging interests.

Current estimates are that Mozambique is losing 220,000 hectares of forest a year. This is due not only to logging, but to the uncontrolled bush fires associated with slash and burn agriculture, and the clearing of land for building purposes.

Sakambuera said the government hopes a ban will greatly reduce illegal logging, and will create more jobs in the timber processing industry.

Coal India pulling out of Tete

The state-controlled mining company Coal India, the largest coal producer in the world, is surrendering its exploration licences in the Mozambican province of Tete.

According to reports in the Indian press, the two areas covered by the licences, awarded to the company's wholly owned subsidiary, Coal India Africana (CIAL), proved disappointing. The latest annual report from Coal India claimed that mining would be "technically not feasible" in the licence areas.

Money from miners' social fund returned

The Mozambican government has recovered over 100 million rand (about US\$7 million) that was held back from the wages of Mozambican mine workers in South Africa and has returned it to its rightful owners, according to the Labour Ministry.

The money was discounted for a social fund, operated by the South African Mineworkers Provident Fund (MWPF), but the Mozambicans had never seen any benefits from this fund, and so the government sought to recover the money.

In this initial phase, the money was disbursed to 825 former mine workers in the southern provinces of Maputo, Gaza, and Inhambane. Priority was given to people who had worked on the mines from 1989 until now. The current campaign also involves opening bank accounts for the beneficiaries.

According to the Labour Ministry, "on presentation of the required documents (miner's professional card, and identity card or passport), the former miners, and the widows, heirs or legitimate representatives of miners who have died receive the money directly from the MWPF, through the banks indicated. It does not pass through the government, which merely supervises the procedure".

The Ministry said that, in total, over 300 million rand belonging to deceased miners is available. The government has insisted for years that this money should

be returned and has contacted the South African authorities and the mining employers.

The first phase of the payments ended on 27 August, but the government wants to ensure that all miners and their dependents who have a legitimate claim on this money receive it. The Ministry says it is working with the Provincial Directorates of Labour and with the district authorities to locate and register former miners and their families.

According to the MWPF database, there are more than 6,500 potential beneficiaries. The MWPF says that it has publicized the scheme to return the money, not only in the three southern provinces (where most of the Mozambican miners come from) but throughout the country.

Inhambane tourism in steep decline

There has been a sharp decline in tourism in the southern Mozambican province of Inhambane, and the situation threatens to deteriorate still further with the proposal to close Vilankulo airport to international traffic, reports the daily newspaper "O Pais".

Tourism was considered a mainstay of the Inhambane economy, due to vast expanses of unspoiled beaches, and the pristine waters and marine fauna of the Bazaruto National Park. But the economic crisis engulfing Mozambique is pushing tourist establishments out of business. In addition, even though most of Inhambane is untouched by the insurrection waged by the opposition party Renamo, the military tensions contribute to keeping foreign tourists away.

According to the Inhambane Provincial Tourism Association, 15 tourism establishments closed in the first half of this year, with 100 workers made redundant.

Up until 2014, Inhambane tourism was recording an average annual investment in tourism of about US\$40 million, but in 2015 the figure fell to US\$10 million, and this year, instead of investment, the sector is shrinking.

Tourism operators fear that a fatal blow to the business could be given by the decision to close the airports in Inhambane city and in Vilankulo to international traffic.

It is through Vilankulo airport that many foreign tourists reach the Bazaruto archipelago, and resorts in Vilankulo and Inhassoro districts. The importance of this airport used to be recognized by the government which invested US\$10 million in modernizing the airport, tripling its capacity so that it can now handle more than 200,000 passengers a year. Currently an average of two international flights a day land at Vilankulo.

If, for example, direct flights between Johannesburg and Vilankulo cease to exist, foreign tourists will either have to change planes in Maputo, or travel by road. The Inhambane Tourism Association fears that they will not do so and that tourist arrivals in Vilankulo, Inhassoro and Bazaruto will slump.

This would be disastrous for thousands of people in these parts of the province who depend on tourism for a living. The tourism operators are now lobbying the government to reverse the decision to close the airport.

Inhambane hotels have a total of 8,134 rooms and 16,231 beds, which is 37.5 per cent of the national accommodation capacity. Tourism directly employs 7,346 people in the province, which is 35.3 per cent of all formal sector employment in Inhambane.

Sena Company producing artificial sweetener

The Sena Company, which runs one of the largest sugar plantations in Mozambique, at Marromeu, on the south bank of the Zambezi, is introducing the cultivation of stevia, a sweetener and sugar substitute extracted from the leaves of the plant *Stevia Rabaudiana*.

During his visit to Marromeu district on 23 August, President Filipe Nyusi visited the stevia project, and Sena company officials briefed him on its advantages.

Officials showed President Nyusi round the nursery where the mother plants are grown before the stevia is later transferred to the production fields. This year the Sena Company has six hectares reserved for stevia production, but the area could be increased to 50 hectares. The company hopes to obtain four stevia harvests a year.

Company managers told President Nyusi they hope to obtain eight tonnes of dry stevia leaves. After initial processing, the leaves will be exported to China for transformation into the final sweetener.

Germany grants food aid

The German government has made available €1.2 million (US\$1.4 million) to support households affected by drought in the southern province of Inhambane.

According to the German embassy, this sum will be managed by two non-governmental organisations, namely CARE and Welthungerhilfe (German Agrarian Action).

It is estimated that 1.4 million people in Mozambique are in a state of food insecurity, and 43 per cent of children suffer from chronic malnutrition.

Most of southern Africa was affected by severe drought this year, linked to the “El Nino” weather phenomenon, an anomalous warming of the surface waters in parts of the Pacific which disrupts world weather patterns. This was one of the worst “El Nino” droughts on record, and the increased frequency of such droughts may be an indicator of accelerating climate change.

Almost 4,000 mining jobs lost in Tete

Almost 4,000 workers have lost their jobs in the coal mining industry in the western province of Tete over the past year, according to the daily newspaper “Noticias”.

Speaking at a Tete provincial conference of the National Youth Council, Portasio Aurelio, head of the mineral resources department in the provincial government, blamed the redundancies on the falling price of coal on the world market.

The largest redundancies were made by the largest operator, Vale-Mozambique, the local subsidiary of the Brazilian mining giant, Vale, which operates an enormous open-cast coal mine in Moatize district.

In all, 3,937 miners have lost their jobs, and 2,348 of them used to be employed by Vale. Aurelio added that the

redundancies also affect expatriates – Vale has made 520 of its 535 foreign staff redundant.

The financial crisis facing the mining companies had forced them to cut their costs, said Aurelio. Unless the coal price recovers, the companies will face further losses, calling into question the major investments they have made in the extractive industry.

With the Tete coal mines and their associated logistics running massively below capacity, the whole Tete economy is affected. The taxes collected from the companies have declined. In the first six months of this year, the companies paid 166.3 million meticais (US\$2.4 million) in taxes on their coal production. But the tax collection target for the year is 5.6 billion meticais.

The sharp decline in the mining industry has also led to a drastic decline in air traffic to Tete. With the industry in the doldrums, business passengers are not flying to Tete.

Tender launched for cabotage partner

The state-owned shipping and ferry company Transmaritima has launched a public tender to find a partner to develop coastal trade (cabotage). The government is planning to expand this trade to reduce road congestion and to lower transport costs.

Currently, Transmaritima only provides ferry services for passengers and their belongings. According to the daily newspaper “Noticias”, Transmaritima is seeking a private operator with the financial capacity to develop, operate, manage, and maintain the new services.

The tender was launched just days after the Mozambican government approved a decree to encourage the expansion of cabotage. In early August, Transport Minister Carlos Mesquita explained that through the decree, foreign ships registered in Mozambique would receive the same treatment and arrangements offered to those sailing under the national flag.

Under the decree, a series of regulatory instruments will be implemented which will guarantee priority berthing and reduced port tariffs. There will also be a reduction in the fees charged by the National Maritime Institute (INAMAR) and the National Institute of Hydrography and Navigation (INAHINA). A further measure will be the simplification of customs procedures.

The decree was the formalisation of agreements reached in June between the Ministry of Transport and Communications and stakeholders.

On 22 June, Mesquita signed four memoranda of understanding with concessionaires of the ports of Maputo, Beira, Nacala and Quelimane. Under the agreements, port charges will be reduced by 60 per cent in Beira and 50 per cent in Maputo, Nacala, Pemba, and Quelimane. There will also be a reduction of 40 per cent in the rates charged to cabotage operators by INAMAR and a decrease in navigation fees charged by INAHINA.

Mozambique News Agency, c/o 26 Withdean Crescent, Brighton BN1 6WH, UK. Tel: +44 (0) 7941890630 - mozambique-news@geo2.poptel.org.uk

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